

SENATE BILL 615

By Yager

AN ACT to amend Tennessee Code Annotated, Title 45,
Chapter 2, relative to financial institutions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 45, Chapter 2, is amended by adding a new section thereto:

45-2-303

(a) In addition to any provisions permitted or required by the Tennessee Business Corporation Act, compiled in title 48, chapters 11-27, and in this chapter, the charter or bylaws of a bank may include the following provisions:

(1) The bank shall not disclose the name, address, or number of shares of a bank shareholder except as required or permitted by the Tennessee Financial Records Privacy Act, compiled in chapter 10 of this title, and such information shall be deemed to be a financial record within the meaning of that act; and

(2) No person shall solicit a proxy or written consent from any shareholder to vote shares of the bank unless the information specified by the bank's bylaws is delivered to the bank and to the shareholders as a group no later than the date specified in the bank's bylaws. In adopting an informational requirement, a bank shall also specify a reasonable method for shareholders to communicate with other shareholders with respect to bank business.

(b) Any shareholder, if the bank's charter or bylaws expressly authorize shareholder actions by written consent, shall have the right to be informed in writing by the bank of the number of shares counted:

(1) Towards a quorum for a shareholders meeting;

(2) Regarding any nomination or proposal voted upon at a shareholders meeting; or

(3) Regarding an action taken by written consent.

(c) Any bank shareholder of record shall have the right to seek a declaratory judgment with respect to a bona fide dispute regarding votes described in subsection (b) in a court of record in the county in which the bank's main office or chief executive's office is located.

(d) For purposes of this section:

(1) "Bank" has the same meaning as provided in § 45-1-103, except that "bank" shall be deemed to include any controlling person;

(2) "Controlling person" has the same meaning as provided in § 45-2-103(a)(1); and

(2) "Person" has the same meaning as provided in § 45-2-103(a)(1).

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.